

BOARD OF PUBLIC WORKS

Vision

The Board of Public Works exists to improve the quality of life of the customers we serve.

Mission

We are dedicated to providing our current and future customers with utility and other value added services in a safe, reliable, and economical manner consistent with sustainable growth, community involvement, and environmental stewardship.

**Regular Meeting of the Board of Public Works was held in Lewes City Hall,
114 East Third Street, Lewes, Delaware on Tuesday, February 24, 2015 at 7:00 PM.**

Board Members Present:

C. Wendell Alfred
D. Preston Lee, P.E.
A. Thomas Owen
Jack Leshner

Board Members Not Present:

Nancy Levenson

Ex-Officio Members Present:

Theodore Becker, Mayor
Darrin Gordon, General Manager
Glenn C. Mandalas, Legal Counsel

Others Present:

Laurie Carter
Leanne Wilkinson, Jefferson Avenue
Nick Roth, Cape Gazette
Paul Eckrich, City Manager
Rob Morgan, Councilperson
Bonnie Osler, Councilperson

1. Welcome, Call Meeting to Order, and Pledge of Allegiance.

At 7:00 PM, President Alfred welcomed everyone, called the meeting to order and led Pledge of Allegiance. A moment of silence was observed for our troops serving our country.

2. Roll Call.

President Alfred stated that Nancy Levenson is not present. All other Board members are present. Also present are Mayor Ted Becker, General Manager Darrin Gordon, and Legal Counsel Glenn Mandalas.

3. Revisions and/or Deletions to the Agenda.

No revisions and/or deletions.

4. Consent Agenda

- a) Receive the General Manager Monthly Report*
- b) Receive Severn Trent Report for January 2015*
- c) Receive President Report*
- d) Receive Vice-President Report*
- e) Receive Secretary Report, Approve Minutes January 28, 2015.*
- f) Receive Treasurer Report*
- g) Receive Asst. Treasurer Report*

Jack Leshner motioned to approve the Consent Agenda, Preston Lee seconded, and the motion passed unanimously.

5. Open forum/general discussion of the Board receiving the 2015-2016 Proposed Operations and Maintenance Budget. (D. Gordon)

INFORMATION:

Darrin Gordon said the budget workshop was held today and budget was reviewed and discussed in detail. There is one item that Preston Lee and I will look at further which is the allocation of Line 14 under Administrative. We are making sure that as things are paid per department appropriately. There is a question as to whether the Storm water department is being too heavily charged for some of those costs. Line 0 and N, specifically Line N, which is the total, will remain the same. The allocation for

each department has the possibility of changing. This remains a proposed budget and I will ask the Board to approve it next month.

6. Open forum/general discussion to authorize by resolution the General Manager to seek planning grants in the 2015-16 fiscal year from the State Water Infrastructure Advisory Council (D. Gordon)

INFORMATION:

Darrin Gordon said the proposed resolution 15-003 is a necessity as we go to the Water Infrastructure Board at the state level seeking grants from them. We have two that we are specifically interested in. One is a \$30K matching grant for the design at Highland Acres. Our engineering has estimated it at \$60K, so \$30K would come from us and \$30K would come from the grant. The second one is for the design on the sewer side which is for \$90K, and we are seeing a \$45K matching grant. This is a technicality that the State wants to see from the Board to show you are interested and have approved it. Glenn Mandalas has seen it and approved it.

Glenn Mandalas reads Resolution 15-003 for the record.

ACTION:

Preston Lee motioned to accept Resolution 15-003, Tom Owen seconded, and the motion passed unanimously.

7. Open forum/general discussion for the amendment of Resolution 10-001 to allow BPW customers to bid demand response and “energy efficiency resources” in the BPW capacity market. (D. Gordon)

INFORMATION:

Darrin Gordon said this is a resolution that was designed in 2010 regarding our electric tariff. That resolution set the rules for people that wanted to come into our service area to provide demand response services to our customers. That means they take a customer that has greater than 1000kW peak demand, which only includes our large industrial customers such as the hospital and high school. When the peak as a point where they need to shave the load, they call those customers and if those customers will reduce their electric use these people can pay them for it. The money comes from PJM which is the governing Board that takes care of all of the thirteen states in this region. We pay for this and it helps us because it helps to reduce that peak and keeps the systems working at an optimum. They now have a new offering. If a company can make changes and prove their changes will save energy in the next five years, they will be able to get some money from PJM plus the people who set this program up will get money. There are now a lot of groups who want to sell this new offering. Anyone who wants to be a demand response provider have to register with the BPW and with DEMEC. This helps us manage it and make sure we have reputable people selling to our industrial customers. The BPW also gets credits for the amount of reduction in load. This amendment is only inserting a few words into the original resolution.

Glenn Mandalas said Resolution 10-001 was adopted in August 2004. This amendment would edit Section 18.1 of Resolution 10-001 which is the Electric Tariff. Glenn reads Section 18.1 as it will exist if it is adopted and makes note of the words that have been inserted.

ACTION:

Tom Owen motioned to adopt the amendment to the Electric Tariff, Jack Leshner seconded, and motion passed unanimously.

8. Presentation of the Severn Trent 2014 Annual Report. (D. Gordon)

INFORMATION:

Darrin Gordon said Severn Trent is the company that we hire to run our wastewater treatment plant. We are in the third year of a five year contract. It is an exceptionally good plant. In the report it talks about the maintenance activities the dollar amount that goes into that has been increasing. This is because we are at the ten year mark of the plant and things are starting to pick up and I anticipate that it will continue to do so. The plant is working at an exceptionally high level regarding the nutrient offsets. The total dissolved solids that are coming out of that plant are actually cleaner than the drinking water.

President Alfred asked about the Station #4 pumps and the xenon filters mentioned in the report and there is discussion about both of those topics.

9. Meetings Attended by Board or Staff.

Jack Leshner attended the SCAT meeting with Tom Owen.

Tom Owen met with Darrin Gordon regarding Highland Acres.

Preston Lee attended the construction progress meetings for the Canal Crossing/Savannah Road project.

10. Board or Staff Requests for Agenda Item(s).

President Alfred requested an agenda item for next month's meeting regarding the request by Nancy Levenson to be replaced on the Planning Commission.

11. Call to the Public.

Leanne Wilkinson, Jefferson Avenue:

I have questions about the Highland Acres Annexation. When will you know the actual cost and what it will entail such as hook-ups, sidewalks, etc.?

President Alfred said that we have to get clarification on funding for that project.

Darrin Gordon said the cost is going to be the actual cost of installation. We will not know the final cost until the project is completed. We have given the estimate of about \$40K, which is an engineer's estimate of a maximum cost, but I believe it will be less. We will take the water all the way to the home, which is included in the cost. Same with the sewer, and the cost includes abandoning the septic that is there currently. Sidewalks are not included. The road will be replaced at the same width but will be brought up to city standards.

Leanne Wilkinson:

When does this become effective?

Mayor Becker said right now we are going through the 60-day challenge window. We do not know of any appeals at this time.

Glenn Mandalas explains the legal process of the annexation, recording, publishing, etc. It should take approximately two weeks as long as there is not a successful appeal.

Leanne Wilkinson:

I have heard that the \$40K is not going to be have to be paid up front, even though it can be. Who actually is giving the homeowners the loan?

Darrin Gordon said we have a loan secured through a state that we could use or we are considering using Board money. Either way, it will be an agreement with the Board for the loan. The homeowners will start paying at the end of construction.

Glenn Mandalas said we will have to draft an agreement for how this loan will work with the homeowners

Leanne Wilkinson:

If the homeowner sells the home before the loan is paid off, what will happen?

Glenn Mandalas said that is a detail that we have to work out, by my expectation is that we will make the loan agreement assignable to the next property owner.

There is continued discussion on this.

Laurie Carter:

At Savannah Place, do they not have a precedent already established with sewer?

Darrin Gordon said they did. We provided them a water system. The rules there said they would pay at the transfer of deed. We have a promissory note that says that.

There is continued discussion about the loan agreement for this instance and what the loan included, and the differences between Savannah Place and Highland Acres.

12. Call to the Press.

No questions or comments.

13. Adjournment.

President Alfred adjourned the meeting at 7:37 PM.

Respectfully Submitted,
Stephanie Moyer